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NexTech AR Solutions (OTCQB: NEXCF)

3D Models Gain Traction in 2022 as Brands Expand Usage

Based on a peer blended average EV to estimated EV/2023 sales multiple of 4.9xs, we believe NexTech stock could be worth \$1.85 per share.

OUTLOOK

NexTech AR is a technology start-up and a unique public company pure play investment in Augmented Reality and the Metaverse. It does not produce hardware, but rather uses AR to improve eCommerce results for customers as well as its company-owned sites. Its LiveX platform allows remote learning, virtual trade shows, and high-end conferencing features integrated with augmented reality and is garnering traction. Its AR ad network and hologram technology should begin to contribute to revenues later this year. As one of the first movers in a multi-billion dollar market growing at almost 300% per year, NexTech should be able to grow rapidly as this nascent market explodes.

Current Price (03/22/22) US\$0.92
Valuation US\$1.85

SUMMARY DATA

52-Week High US\$3.95
52-Week Low US\$0.80
One-Year Return (%) -73.7
Beta 1.9
Average Daily Volume (sh) 129,340

Shares Outstanding (mil) 99.6
Market Capitalization (\$mil) US\$92
Short Interest Ratio (days) 1.2
Institutional Ownership (%) 0.0
Insider Ownership (%) 11.5

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/M
P/E using 2022 Estimate N/M
P/E using 2023 Estimate N/M

Risk Level High
Type of Stock Small Growth
Industry IT Services

ZACKS ESTIMATES

Revenue

(in millions of CAN\$)

	Q1 (Mar)	Q2 (June)	Q3 (Sept)	Q4 (Dec)	Year (Dec)
2020	2.5 A	3.5 A	4.7 A	7.0 A	17.7 A
2021	7.7 A	6.1 A	5.7 A	6.4 A	25.9 A
2022	5.1 E	6.0 E	8.4 E	11.9 E	31.4 E
2023					42.0 E

EPS (IFRS)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sept)	Q4 (Dec)	Year (Dec)
2020	-\$0.02 A	-\$0.04 A	-\$0.07 A	-\$0.12 R	-\$0.23 R
2021	-\$0.12 A	-\$0.07 A	-\$0.10 A	-\$0.10 A	-\$0.39 A
2022	-\$0.07 E	-\$0.06 E	-\$0.05 E	-\$0.03 E	-\$0.20 E
2023					-\$0.12 E

WHAT'S NEW

NexTech AR's Mission is to Build the First Vertically Integrated AI-Powered 3D Model Factory for the Metaverse

2022 is expected to be a transition year for NexTech AR. After taking advantage of the market for virtual events in 2021, the company is transitioning to be a 3D model factory with a unique recurring revenue model. We expect sales to transition to being a supplier of 3D models and eCommerce is finally embracing them after years of ignoring 3D. In 2022 NexTech will integrate with more platforms and make access to its products easier with a single interface. The company reported revenues for the 2021 year of \$25.9 million, up 47%. Its eCommerce business grew 38%, its Technology Services (mostly virtual events) grew 55% and most importantly its Renewable Software License revenues grew 316% to \$1.4 million. Going forward this is the category where AR models are booked and we expect the most growth in 2022. Here also are where the gross margins are the highest (ranging from 50-70%.)

The company has taken recent steps to considerably lower its cash breakeven point and expenses could be as much as \$1 million lower already in Q1 as it cut staff and moved to more variable costs in Q4 2021. With about \$20 million in cash on hand, NexTech has a stash as it moves to reach its goal of less than a million a month in cash burn.

In January, NexTech launched on Shopify which opened up its technology up to 3 million merchants on the Shopify platform. It also launched a holoX app for IOS. This app lets users record a video that can be transformed to a hologram that can be access via a QR code. In Q1 2022, the company also launched ARitize 3D into beta and had a public launch ARitize maps. It also introduced ARitize Swirl and ARitize Social Swirl in February.

In April expect ARitize Metaverse Studio and the CAD to POLY SaaS product to launch. ARitize 3D is about to be integrated into BigCommerce this month. It should also be integrated into both WooCommerce and Magento in May. So far the company has created 10,000 models of which 7,000 were created in Q4 and 3,000 are currently in backlog.

The company is continuing to pursue an uplisting to NASDAQ and its new auditors, Marcum LLP ought to help achieve that goal.

Q4 2021 Financial Results

NexTech reported revenues of \$6.4 million versus \$7.0 million a year ago, down 9%, but up 23% sequentially. ECommerce reported revenues of \$4.2 million, up from a restated \$4.6 million in Q4 2020 or down 8%, and down sequentially from \$4.6 million in Q3. Part of the reason for this is supply chain issues of getting goods to sell and increased logistics costs and the other part is the focus on profitability rather than revenue growth. Going forward we expect to maintain this business as a lab and keep it earning money. We do not expect much growth as it is not the focus.

The technology services revenues declined year over year to \$1.6 million from \$2.2 million in Q4 2020, but was up sequentially. Summer is seasonally weak for conferences and we expect that seasonality to continue. We believe the Jolokia conferencing business is also losing its COVID induced boost and the company has redirected sales efforts toward more profitable AR modelling.

Gross margin was 38.1% of revenues or \$2.4 million compared to 48.2% and \$3.4 million a year ago and 31.4% or \$1.8 million in Q3 2021. Gross margin for eCommerce was 36% versus 41% last year. eCommerce had supply chain and logistic issues increasing costs. Technology services had an even bigger decline in gross margin from 62% to 42%. This is primarily because cost of sales related to technology services was

not measured in all prior quarters in 2020, thus the annual 2020 cost of sales is not fully represented in the above table. Margins declined at fixed costs for salaries were spread over less revenue in virtual event delivery. Margins should increase in this business as staff was rightsized near the end of 2021 based on forecasted demand and salaries are now a variable cost in that segment. Overall NexTech has decreased headcount to 140 down 50% from its peak in mid-2021.

Operating expenses were virtually flat with last year at \$8.4 million. The pretax loss was \$9.0 million compared to \$8.1 million a year ago and \$8.2 million in Q3 2021. The net loss was \$8.8 million versus \$8.1 million and EPS loss was \$0.10 compared to \$0.11 a year ago. Non-IFRS loss was \$6.4 million compared to \$5.3 million last year. Non-IFRS loss per share was \$0.07 flat with last year.

Primary shares outstanding were 90.1 million for the period, up 21%. The company showed an operating cash flow and free cash flow loss of \$5.2 million for the quarter down from \$7.9 million in Q3 2021.

Balance Sheet Update

NexTech ended the December quarter with \$7.2 million in cash, working capital of \$9.2 million, and \$90,000 in debt. Its January capital raise added \$10 million in cash. In the fourth quarter the company has negative cash flow and free cash flow of \$5.2 million. The company is working to reduce its cash burn to \$1 million a month or less.

The primary share count as of March 22nd was 99.6 million.

After the Quarter Ended

On January 25, 2022 NexTech sold C\$10 million worth of common shares and warrants in a PIPE deal with a single institutional investor. For \$1.23 per share and warrant, the investor bought 8,130,082 shares with warrants exercisable at C\$1.54. The warrants expire in three years.

KEY POINTS

- NexTech AR is a startup based in Toronto that was formed to provide services for, and invest in, businesses using Augmented Reality (AR), holograms and other technologies in the Metaverse. These technologies are used to improve sales and profits for eCommerce sites, and other verticals such as entertainment and education. The technology converts two-dimensional images of real objects and people into three dimensions. Using AR is a proven way to boost sales and reduce returns in eCommerce, and provides an engaging, economic way to provide information in the education and training space.
- Augmented Reality (AR) is just beginning to make its way into mainstream use and the market is exploding. NexTech AR is the only public pure play we know of that is providing services to allow companies to use AR in marketing and advertising their goods. At a small price to vendors per month per SKU, adoption of just a tiny percent of the trillions of products sold worldwide will create a massive revenue stream for NexTech AR.
- The company currently has four sources of revenue:
 - Its largest revenue generator is an eCommerce business that is used as a test lab and is driven by the use of AR and holograms in its marketing. Its main web site sells vacuum cleaners and accessories. It recently has started to expand the number of brands it carries. It uses these web

sites primarily for in house testing. Ultimately we expect this business to be sold or spun off as NexTech focuses on its SaaS model.

- It provides the platform LiveX, that allows virtual remote meetings integrated with augmented reality with more security and features than available from mainstream video conferencing platforms, but will work with them seamlessly. It also owns Map Dynamics that provides in person conferencing services.
 - It also has a SaaS offering to businesses that places AR renderings created by NexTech AR, or by the customer themselves, for use on their shopping websites and mobile apps, or in ad campaigns. ECommerce customers are charged a monthly fee based on the number of SKUs.
 - In the future it will start to generate revenues from its new AR ad network, which allow customers to place their AR content in advertisements with one stop shopping, holograms and spatial mapping.
- With a nascent market projected to increase by 289% per year over the next five years, NexTech as a unique public pure play that could deserve a higher valuation. It currently trades at an enterprise value of approximately US \$87 million or 2.6xs projected 2023 sales of US\$33.6 million.

VALUATION

Since our last report, the valuation of NexTech comps have again come down, as have most of the tech names, particularly those that benefited from work at home. We have taken a group of companies involved in augmented reality as well as companies that provide conferencing. At current valuations we get an average of 4.7 times EV/2023 Sales. So, using US\$33.6 million for 2023 estimated sales, and a 4.9 multiple, NexTech could be worth an enterprise value as high as US\$165 million or a market value of \$185 million. Dividing by the current shares of approximately 99.6 million, this would be a market value of US\$1.85 per share. Even if we were to split out the eCommerce revenues and give it a separate lower multiple, we still get a blended multiple of 3.5 times or a stock price of US\$1.40 by next year.

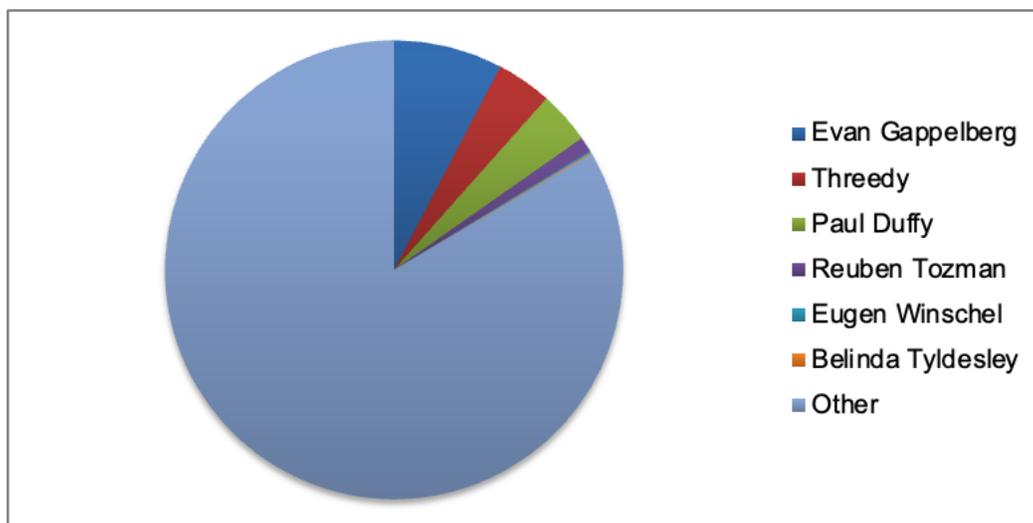
Company	Ticker	Calendar Revenue		LTM	EBIDTA Margin	Enterprise Value / Sales			Enterprise Value
		2023E	2022E			2023E	2022E	LTM	
1-800 Flowers	FLWS	NA	2,362	2,210	7%	NA	0.4	0.4	930
Amazon	AMZN	634,730	541,370	469,820	13%	2.7	3.1	3.6	1,700,000
Land's End	LE	1,860	1,710	1,640	7%	0.5	0.5	0.6	915
Overstock.com	OSTK	3,240	2,880	2,760	4%	0.5	0.6	0.6	1,736
PC Connection	CNXN	3,220	3,070	2,890	4%	0.4	0.4	0.4	1,270
PetMed Express	PETS	NA	289	279	11%	NA	1.6	1.7	466
Chewy	CHWY	10,600	8,900	8,550	1%	1.7	2.0	2.1	17,708
US Auto Parts Network	PRTS	791	663	582	0%	0.5	0.5	0.6	364
Wayfair	W	16,180	14,010	13,710	1%	0.9	1.0	1.0	13,938
Average						1.0	1.1	1.2	193,036

Company	Ticker	Calendar Revenue		LTM	EBIDTA Margin	Enterprise Value / Sales			Enterprise Value
		2023E	2022E			2023E	2022E	LTM	
Salesforce	CRM	37,888	32,080	26,490	12%	5.6	6.6	8.0	212,360
Snap	SNAP	8,040	5,650	4,120	-14%	7.2	10.3	14.1	58,200
WiMi Hologram Cloud	WIMI	192	151	170	-12%	1.1	1.4	1.3	219
Zoom	ZM	5,170	4,550	4,100	29%	5.8	6.6	7.3	30,000
Average						4.9	6.2	7.7	60,187

RISKS

- NexTech is a start-up with limited operating history. There is no assurance it will evolve into a sustainable, profitable going concern.
- The company is operating at a loss and may continue to need to raise capital until it reaches cash flow break even which could result in dilution of current shareholders.
- To date, NexTech has depended heavily on funding from senior management.
- AR usage is just beginning to be used by early adopters and it is hard to predict how fast or even if AR will be put into use by mainstream eCommerce sites. The company's business with AR customers is still very small and has yet to garner meaningful traction.
- This industry will attract many larger companies with much greater resources who could compete with NexTech in the future.
- The company has just launched and is about to new product lines, which make take more resources and time than expected and may not be successful.
- With the return to normal business operations, the need for virtual conferencing capabilities may wane further than expected.

OWNERSHIP



INCOME STATEMENT

	Mar 31, 2020R	June 30, 2020R	Sept 30, 2020R	Dec 31, 2020R	Mar 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022E	June 30, 2022E	Sept 30, 2022E	Dec 31, 2022E	2020	2021	2022E	2023E
Product sales	\$2,445,921	\$3,097,770	\$3,810,195	\$4,588,028	\$6,009,259	\$4,430,519	\$4,579,686	4,225,666	\$3,000,000	\$4,000,000	\$5,500,000	\$7,000,000	\$13,932,871	\$19,245,130	\$19,500,000	\$20,000,000
Yr-to-Yr Growth	NA	NA	NA	88%	146%	43%	20%	-8%	-50%	-10%	20%	66%	252.6%	38.1%	1.3%	2.6%
Technology services	46,064	187,366	763,155	2,226,487	1,350,066	1,371,056	931,494	1,643,160	1,400,000	800,000	400,000	400,000	3,417,501	5,295,779	3,000,000	2,000,000
Yr-to-Yr Growth	NA	NA	NA	4657%	2831%	632%	22%	-26%	4%	-42%	-57%	-76%	6413.1%	55.0%	-43.4%	-33.3%
Renewable Software licenses	\$0	\$243,893	89,578	187,195	367,378	289,977	226,405	510,313	700,000	1,200,000	2,500,000	4,500,000	335,280	1,394,070	8,900,000	20,000,000
Yr-to-Yr Growth	NA	NA	NA	NA	NA	19%	153%	173%	91%	314%	1004%	782%	NA	315.8%	538.4%	124.7%
Net Revenue	\$2,491,985	\$3,529,029	\$4,662,928	\$7,001,710	\$7,726,703	\$6,091,552	\$5,737,585	\$6,379,140	\$5,100,000	\$6,000,000	\$8,400,000	\$11,900,000	\$17,685,652	\$25,934,980	\$31,400,000	\$42,000,000
Yr-to-Yr Growth	177%	290%	199%	181%	210%	73%	23%	-9%	-34%	-2%	46%	87%	341.7%	46.6%	21.1%	33.8%
Cost of goods	1,144,136	1,359,294	1,705,571	3,625,667	4,412,278	3,798,987	3,936,309	3,948,838	3,096,000	3,680,000	5,028,000	6,832,000	7,834,668	16,096,412	18,636,000	20,800,000
Gross margin	1,347,849	2,169,735	2,957,357	3,376,043	3,314,425	2,292,565	1,801,276	2,430,302	2,004,000	2,320,000	3,372,000	5,068,000	9,850,984	9,838,568	12,764,000	21,200,000
Percent of revenues	54.1%	61.5%	63.4%	48.2%	42.9%	37.6%	31.4%	38.1%	39.3%	38.7%	40.1%	42.6%	55.7%	37.9%	40.6%	50.5%
Operating expenses																
Sales and marketing	1,418,833	1,369,008	3,145,881	3,675,719	4,640,087	4,047,840	4,358,738	3,768,379	3,500,000	3,200,000	3,300,000	3,300,000	9,609,441	16,815,044	13,300,000	14,000,000
General and administrative	709,427	1,807,780	639,773	2,683,780	3,747,723	3,418,151	3,735,240	2,979,976	2,500,000	2,000,000	2,000,000	2,000,000	5,840,760	13,881,090	8,500,000	8,000,000
R&D	239,193	265,359	1,048,161	2,038,940	1,793,479	1,330,534	1,863,785	1,624,462	1,350,000	1,330,534	1,320,000	1,320,000	3,591,653	6,612,260	5,320,534	5,000,000
Total operating expenses	2,367,453	3,442,147	4,833,815	8,398,439	10,181,289	8,796,525	9,957,763	8,372,817	7,350,000	6,530,534	6,620,000	6,620,000	19,041,854	37,308,394	27,120,534	27,000,000
Other income																
Stock-based compensation	268,275	596,624	2,124,158	2,675,994	2,402,628	556,415	(574,131)	2,645,537	750,000	750,000	750,000	750,000	5,665,051	5,030,449	3,000,000	4,000,000
Amortization	88,253	132,458	189,236	193,187	380,220	179,378	682,889	807,660	600,000	550,000	550,000	550,000	603,134	2,050,147	2,250,000	2,000,000
Right of use amortization	-	-	-	68,982	-	45,011	64,735	96,433	100,000	100,000	100,000	100,000	68,982	206,179	400,000	200,000
Realized gain on Bitcoin	-	-	-	-	(219,321)	-	-	-	-	-	-	-	-	(219,321)	-	-
Gain on contingent consideration	-	-	-	-	-	(1,516,048)	102,400	(159,660)	-	-	-	-	-	(1,573,308)	-	-
Depreciation	9,849	17,434	25,440	30,260	27,950	32,085	37,286	35,824	35,000	35,000	35,000	35,000	82,983	133,145	140,000	120,000
Impairment	-	-	-	69,423	-	-	-	-	-	-	-	-	69,423	-	-	-
Foreign exchange loss (gain)	1,694	6,283	(15,284)	17,402	274,564	52,877	(252,992)	(342,126)	-	-	-	-	10,095	(267,677)	-	-
Total other expense	368,071	752,799	2,323,550	3,055,248	2,866,041	(650,282)	60,187	3,083,668	1,485,000	1,435,000	1,435,000	1,435,000	6,499,668	5,359,614	5,790,000	6,320,000
Income before income taxes	(1,387,675)	(2,025,211)	(4,200,008)	(8,077,644)	(9,732,905)	(5,853,678)	(8,216,674)	(9,026,183)	(6,831,000)	(5,645,534)	(4,683,000)	(2,987,000)	(15,690,538)	(32,829,440)	(20,146,534)	(12,120,000)
Income taxes	24,239	24,239	24,139	24,339	-	-	-	177,386	-	-	-	200,000	96,956	177,386	200,000	-
Tax rate	-1.7%	-1.2%	-0.6%	-0.3%	0.0%	0.0%	0.0%	-2.0%	0.0%	0.0%	0.0%	-6.7%	-0.6%	-0.5%	-1.0%	0.0%
Net income	(1,363,436)	(2,000,972)	(4,175,869)	(8,053,305)	(9,732,905)	(5,853,678)	(8,216,674)	(8,848,797)	(6,831,000)	(5,645,534)	(4,683,000)	(2,787,000)	(15,593,582)	(32,652,054)	(19,946,534)	(12,120,000)
Non-IFRS net income	(1,095,161)	(1,404,348)	(2,051,711)	(5,307,888)	(7,549,598)	(6,813,311)	(8,688,405)	(6,362,920)	(6,081,000)	(4,895,534)	(3,933,000)	(2,037,000)	(9,859,108)	(29,194,913)	(16,946,534)	(8,120,000)
Exchange differences on translating foreign operations	488,316	(308,552)	(195,249)	(237,127)	(52,491)	(65,056)	413,553	(69,154)	-	-	-	-	(252,612)	226,852	-	-
Total comprehensive loss	(875,120)	(2,309,524)	(4,371,118)	(8,290,432)	(9,785,396)	(5,918,734)	(7,803,121)	(8,917,951)	(6,831,000)	(5,645,534)	(4,683,000)	(2,787,000)	(15,846,194)	(32,425,202)	(19,946,534)	(12,120,000)
Earnings per share	\$(0.02)	\$(0.03)	\$(0.06)	\$(0.11)	\$(0.13)	\$(0.07)	\$(0.10)	\$(0.10)	\$(0.07)	\$(0.06)	\$(0.05)	\$(0.03)	\$(0.23)	\$(0.39)	\$(0.20)	\$(0.12)
Non-IFRS earnings per share	\$(0.02)	\$(0.02)	\$(0.03)	\$(0.07)	\$(0.10)	\$(0.08)	\$(0.10)	\$(0.07)	\$(0.06)	\$(0.05)	\$(0.04)	\$(0.02)	\$(0.14)	\$(0.35)	\$(0.17)	\$(0.08)
Shares outstanding	61,378,508	65,713,035	71,979,018	74,376,499	77,489,618	82,298,423	86,125,077	90,077,002	99,634,597	100,000,000	100,000,000	100,000,000	68,657,254	83,888,487	99,908,649	103,000,000
Yr-to-Yr Growth	20%	22%	30%	38%	26%	25%	20%	21%	29%	22%	16%	11%	17.8%	22.2%	19.1%	3.1%
All in shares	65,108,000	75,353,656	77,561,018	76,611,499	82,864,618	91,511,320	93,000,000	99,116,767	108,674,362	108,674,362	108,674,362	108,674,362	73,658,543	92,224,652	108,674,362	109,000,000
Adjusted EBITDA	(1,019,604)	(1,272,412)	(1,876,458)	(5,022,396)	(6,866,864)	(6,503,960)	(8,156,487)	(5,942,515)	(5,346,000)	(4,210,534)	(3,248,000)	(1,552,000)	(9,190,870)	(27,469,826)	(14,356,534)	(5,800,000)

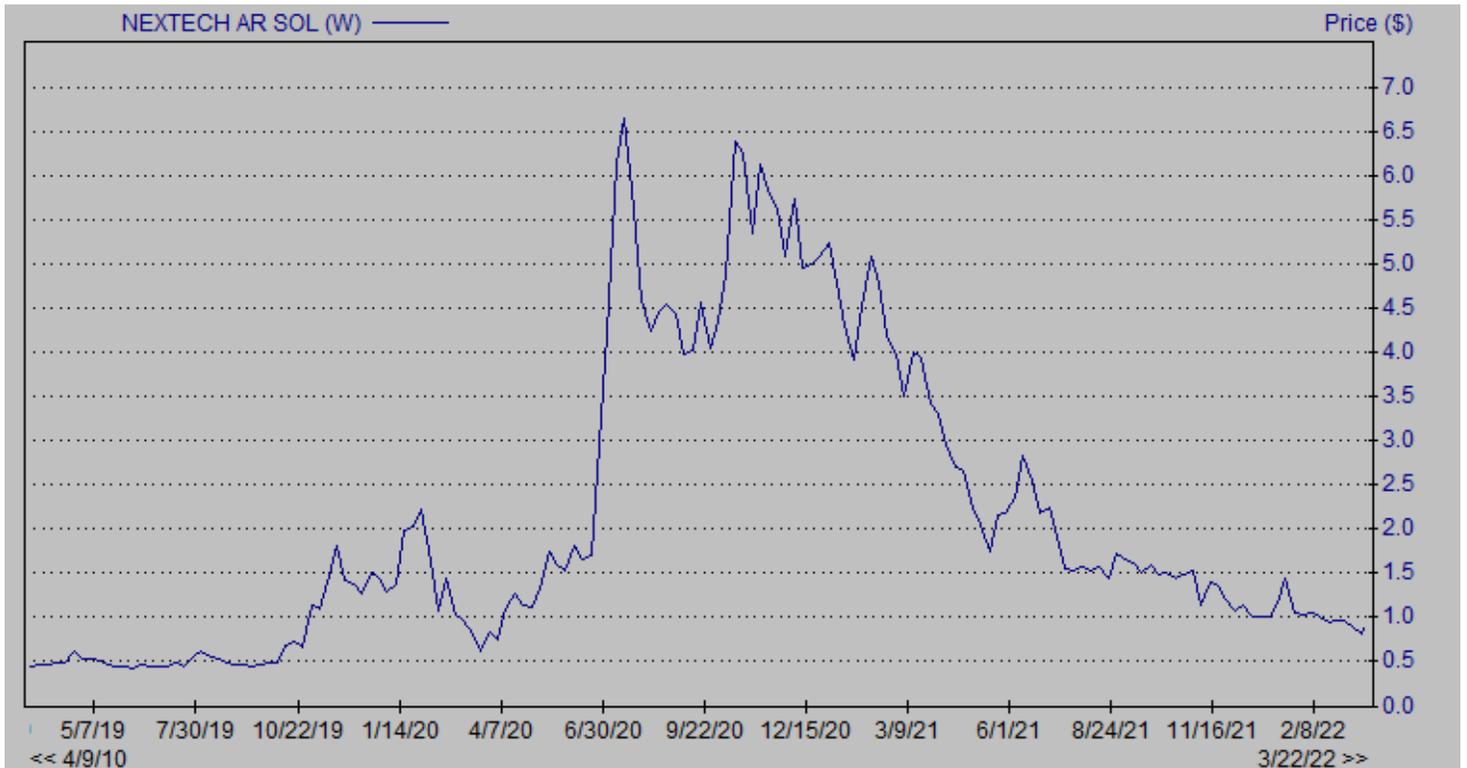
BALANCE SHEET

Canadian Dollars	Dec 31, 2021	Sept 30, 2021	Qtr-Qtr % Change	Dec 31, 2020	Yr-Yr % Change
Assets:					
Cash and cash equivalents	7,237,296	8,258,563	-12%	10,684,952	-32%
Accounts receivable	1,081,164	1,895,277	-43%	1,312,548	-18%
Prepaid expenses	749,474	895,117	-16%	1,354,369	-45%
Contract assets	386,202	267,865	44%	244,478	58%
Inventory	3,389,098	4,581,632	-26%	3,211,675	6%
Total current assets	12,843,234	15,898,454	-19%	19,354,057	-34%
Equipment	377,242	367,784	3%	300,558	26%
Right of use assets	1,079,319	1,147,661	-6%	1,034,724	4%
Intangible assets	6,419,934	7,239,443	-11%	3,500,041	83%
Goodwill	8,790,529	7,832,208	12%	4,886,513	80%
Total Assets	29,510,258	32,485,550	-9%	29,075,893	1%
Current Liabilities:					
AP & accrued liabilities	2,759,017	3,832,913	-28%	2,527,437	9%
Deferred revenue	609,001	1,573,270	-61%	383,022	59%
Lease liabilities	290,357	288,966	0%	150,662	93%
Contingent consideration	0	463,030	-100%	2,717,859	-100%
Total current liabilities	3,658,375	6,158,179	-41%	5,778,980	-37%
Lease liabilities	786,755	860,152	-9%	877,978	-10%
Deferred income tax liability	712,215	0	NM	0	NM
Loan payable	90,896	0	NM	0	NM
Total Liabilities	5,248,241	7,018,331	-25%	6,656,958	-21%
Stockholders' Equity					
Share capital	70,570,760	65,020,985	9%	41,968,520	68%
Reserves	12,649,994	10,041,357	26%	6,757,098	87%
Deficit	(58,958,737)	(49,595,123)	19%	(26,306,683)	124%
Total Stockholders' Equity	24,262,017	25,467,219	-5%	22,418,935	8%
Total Liabilities and Stockholders' Equity	29,510,258	32,485,550	-9%	29,075,893	1%
Current ratios	3.5	2.6	36%	3.3	5%
Quick ratio	2.6	1.8	41%	2.8	-7%
Cash	7,237,296	8,258,563	-12%	10,684,952	-32%
Cash as % of assets	25%	25%	-4%	37%	-33%
Working Capital	9,184,859	9,740,275	-6%	13,575,077	-32%
Debt	90,896	0	NM	0	NM
Debt/Total Assets	0.3%	0%	NM	0%	NM

CASH FLOW

	3 Months Ending Mar 31, 2020	3 Months Ending June 30, 2020	3 Months Ending Sept 30, 2020	3 Months Ending Dec 31, 2020	Year 2020	3 Months Ending Mar 31, 2021	3 Months Ending June 30, 2021	3 Months Ending Sept 30, 2021	3 Months Ending Dec 31, 2021	Year 2021
Net Income	\$ (1,363,436)	\$ (2,000,972)	\$ (4,175,869)	\$ (8,053,305)	\$ (15,593,582)	\$ (9,732,905)	\$ (5,853,678)	\$ (8,216,674)	\$ (8,848,797)	\$ (32,652,054)
Adjustments to reconcile net loss to net cash used in operating activities:										
Amortization	88,253	132,458	149,962	301,443	672,116	380,220	179,378	682,889	807,660	2,050,147
Accretion expense	0	0	(79)	79	0	0	0	0	0	0
Right of use assets	0	0	0	68,982	68,982	34,311	45,011	13,466	113,391	206,179
Gain on sale of bitcoin	0	0	0	0	0	(219,321)	0	0	0	(219,321)
Deferred income tax recovery	(24,239)	(24,329)	(24,139)	(24,249)	(96,956)	0	0	0	0	0
Depreciation	9,849	17,434	25,440	30,260	82,983	27,950	32,085	37,286	35,824	133,145
Gain on contingent consideration	0	0	0	0	0	0	(1,516,048)	102,400	(159,660)	(1,573,308)
Interest expense	0	0	0	0	0	0	0	0	0	0
Shares issued to settle related party liabilities	38,239	0	0	0	38,239	0	0	0	0	0
Stock-based compensation	650,946	861,958	2,893,173	1,258,974	5,665,051	2,402,628	556,415	0	2,071,406	5,030,449
Options and warrants exercised shares out	0	(183,737)	183,737	0	0	6,300	0	0	(6,300)	0
Share-based payments	0	0	0	1,202,694	1,202,694	22,156	(22,156)	(574,131)	574,131	0
Shares for services	0	0	0	35,074	35,074	1,299,845	0	78,535	211,514	1,589,894
Write-off of intangible asset	0	0	0	85,664	85,664	0	0	0	0	0
Currency translation adjustment	0	0	0	0	0	0	0	0	0	0
Changes in assets and liabilities:										
Receivables	(217,245)	356,792	(867,929)	(164,727)	(893,109)	(783,405)	997,883	(797,207)	814,113	231,384
Contract asset					(244,478)	(115,582)	22,853	69,342	(118,337)	(141,724)
Prepaid expenses	(19,075)	23,735	(124,034)	(1,033,232)	(1,152,606)	(390,207)	437,732	411,727	145,643	604,895
Bitcoin	0	0	0	0	0	2,546,035	0	0	(2,546,035)	0
Inventory	(244,810)	(83,071)	(1,160,476)	(369,734)	(1,858,091)	(1,462,220)	606,386	(514,123)	1,192,534	(177,423)
Accounts payable and accrued liabilities	(325,523)	673,907	119,806	565,926	1,034,116	1,448,960	(1,543,259)	1,399,775	(1,073,896)	231,580
Other payables	0	(97,771)	0	(132,213)	(229,984)	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0	0	(205,898)	(205,898)
Deferred revenue	0	0	526,005	(142,983)	383,022	819,047	246,841	133,360	(973,269)	225,979
Net Cash Used In Operating Activities	(1,407,041)	(323,596)	(2,454,403)	(6,371,347)	(10,800,865)	(3,716,188)	(5,810,557)	(7,173,355)	(7,965,976)	(24,666,076)
CASH FLOWS FROM INVESTING ACTIVITIES:										
Purchase of Bitcoin	0	0	0	0	0	0	0	0	0	0
Sale of bitcoin	0	0	0	0	(2,546,035)	219,321	0	0	2,546,035	2,765,356
Contract assets	0	0	0	0	0	0	0	0	0	0
Cash acquired on a business combination	0	0	0	0	0	0	0	0	0	0
Purchase of equipment	0	0	(68,022)	49,383	(18,639)	(50,414)	(60,505)	(27,653)	(40,200)	(178,772)
Purchase of intangibles	0	0	0	(937,396)	(937,396)	0	0	0	0	0
Acquisition of Infinite Pet Life	0	0	0	0	0	0	0	0	0	0
Acquisition of HootView	0	0	0	0	0	0	0	0	0	0
Acquisition of Next Level Ninjas	0	0	(719,895)	719,895	0	0	0	0	0	0
Acquisition of Map Dynamics	0	0	0	(777,900)	(777,900)	0	0	0	0	0
Net Cash Used In Investing Activities	0	0	(787,917)	(946,018)	(4,279,970)	168,907	(60,505)	(27,653)	2,505,835	2,586,584
CASH FLOWS FROM FINANCING ACTIVITIES:										
Convertible debenture	0	0	0	0	0	0	0	0	0	0
Capital contribution	0	0	0	0	0	0	0	0	0	0
Proceeds from the issue of shares	0	3,009,047	12,118,689	5,428	15,133,164	0	12,632,937	0	4,271,962	16,904,899
Proceeds from options and warrants	712,439	1,404,022	1,765,700	3,881,377	7,763,538	486,464	800,184	123,986	800,697	2,211,331
Lease payments	0	0	(39,475)	(35,590)	(75,065)	(44,567)	(91,212)	(13,145)	(72,304)	(221,228)
Business acquisition installment payments	0	0	0	0	0	0	0	(18,902)	99	(18,803)
Net Cash Provided By Financing Activities	712,439	4,413,069	13,844,914	3,851,215	22,821,637	441,897	13,341,909	91,939	5,000,454	18,876,199
Foreign exchange	154,914	(117,022)	40,438	16,477	94,807	(219,680)	24,142	(27,373)	(21,452)	(244,363)
Net Increase in Cash	(539,688)	3,972,451	10,643,032	(3,449,673)	7,740,802	(3,105,384)	7,470,847	(7,109,069)	(459,687)	(3,203,293)
Cash - Beginning of Period	2,849,344	2,309,656	6,282,107	16,925,139	2,849,344	10,684,953	7,359,889	14,854,878	7,718,436	10,684,953
Cash - End of Period	2,309,656	6,282,107	16,925,139	13,475,466	10,684,953	7,359,889	14,854,878	7,718,436	7,237,297	7,237,297
Operating cash flow	(600,388)	(1,197,188)	(947,775)	(5,094,384)	(7,839,735)	(5,778,816)	(6,578,993)	(7,876,229)	(5,200,831)	(25,434,869)
Free cash flow	(600,388)	(1,197,188)	(1,015,797)	(5,045,001)	(7,858,374)	(5,829,230)	(6,639,498)	(7,903,882)	(5,241,031)	(25,613,641)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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